

U.S. Department of Justice

United States Attorney District of Maryland Northern Division

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TAX RETURN PREPARER CONVICTED OF PREPARING FALSE RETURNS AND TAX EVASION

Greenbelt, Maryland - Allen F. Loucks, United States Attorney for the District of Maryland, announced today that Karen Harrison, age 50, of Washington, D.C. was convicted yesterday after a two week jury trial of tax evasion and preparing false income tax returns.

According to evidence presented during the trial, from 1997 to 1999 Harrison operated a tax return preparation business in Landover, Maryland and Washington, D.C. Several of Harrison's former clients testified that Harrison prepared returns claiming tax deductions to which the clients were not entitled and that they did not provide Harrison with the information to support the false deductions. The jury convicted Harrison on eight counts of preparing false tax returns, and found Harrison not guilty on four counts of preparing false returns.

Evidence presented at trial further established that in 1998, Harrison received at least \$88,500 in connection with her tax return preparation business, but that she only reported receiving \$38,000 on her own income tax return. The jury convicted Harrison of attempting to evade her income taxes for that year.

Harrison is scheduled to be sentenced by the Honorable Alexander Williams, Jr. on April 28,

2005. Harrison faces a maximum sentence of 5 years on the tax evasion charge, and 3 years each on the charges for assisting with the preparation of false returns.

The case was investigated by the Internal Revenue Service - Criminal Investigation Division.

The case was prosecuted by Assistant United States Attorneys Michael R. Pauzé and Mythili Raman.